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OCT 19 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

93-253

OFFICE OF  
THE CHAIRMAN

Honorable Jill Long, Chair  
Congressional Rural Caucus  
House of Representatives  
1513 Longworth House Office Bldg.  
Washington, DC 20515-1404

Dear Congresswoman Long:

This is in response to your letter of September 21, 1993 on behalf of the Congressional Rural Caucus, which addressed the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. You express your support for a PCS licensing structure based on small market areas so that rural America is not disadvantaged.

On September 23, 1993, the Commission adopted final rules in GEN Docket No. 90-314, allocating 120 megahertz of spectrum for licensed PCS. The Commission decided to adopt Basic Trading Areas (BTAs) and Major Trading Areas (MTAs) for service areas; 60 megahertz of spectrum was allocated for BTAs and 60 megahertz for MTAs. There are 492 BTAs and 51 MTAs for licensing purposes. The Commission concluded that BTAs are representative of likely PCS markets in which local communications will take place, and that MTAs will provide the economies of scale and scope necessary to promote development of low cost PCS equipment. Licensees will be required to offer service to at least one-third of the population in each market area within five years of being licensed, two-thirds of the population within seven years, and 90 percent of the population within ten years. In a companion Notice of Proposed Rule Making in PP Docket No. 93-253, the Commission proposed licensing preferences in 30 megahertz of the BTA spectrum for rural telephone companies, small businesses, and businesses owned by minorities and women.

The Commission's action is designed to ensure the expeditious provision of PCS in both urban and rural areas. For your information, I am attaching the press releases of GEN Docket No. 90-314 and PP Docket No. [REDACTED] that address these issues.

Sincerely,

James H. Quello  
Chairman

Enclosures

DET  
90-314  
PV  
JHG  
3727



1738 Ford H.O.B.  
Washington, D.C. 20515  
Telephone: (202) 225-8242

# **CONGRESSIONAL RURAL CAUCUS** *U.S. House of Representatives*

September 21, 1993

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Vice Chairs  
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Earl Pomeroy, D-ND  
Ike Skelton, D-MO

The Honorable James Quello  
Chairman  
Federal Communications  
Commission  
1919 M Street N.W., Room 802  
Washington, D.C. 20554

Dear Chairman Quello:

As members of the Congressional Rural Caucus, we are writing to express our concerns regarding the Personal Communications Services (PCS) Rulemaking currently pending before the Federal Communications Commission (FCC). We urge the FCC to ensure that rural America is not inadvertently disadvantaged or left behind in the development of telecommunications infrastructure. In this regard, it is critical that the Commission design a licensing structure based on small license areas for all participants.

If the FCC elects to license PCS for large regional markets, the cost of entering this new industry will be so high as to rule out all but the largest and wealthiest companies from participating. Such an event would place PCS licenses beyond the financial reach of many small, rural companies and rural telephone providers that seek to bring this new technology to rural areas. Only through independent participation at auction can small and rural communications providers be assured of the opportunity to bring services to communities traditionally neglected by corporate America.

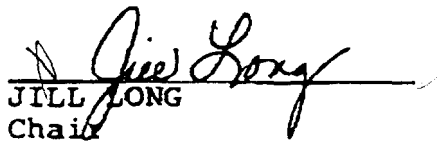
Congress addressed this concern in its authorizing legislation by requiring the Commission to prescribe area designations and bandwidth assignments that promote, among other things, economic opportunity for "small business, rural telephone companies, and businesses owned by members of minority groups and women." Rural America should not be left underdeveloped while a regional license holder solely serves high profit urban centers. Small markets will ensure that companies interested in rural America are able to bid for and develop its telecommunications infrastructure as rapidly as that of its urban counterpart.

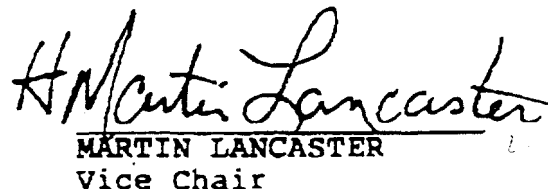
The Honorable James Quello  
Page 2.

For these reasons, we encourage you to adopt a licensing structure that will guarantee rural America the opportunity to enjoy the benefits of modern wireless technology and not relegate the citizens we serve to a second class status in the telecommunications future. Large regional markets cannot possibly foster such a goal.

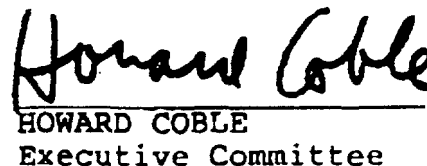
In advance, thank you for the serious consideration of our views.

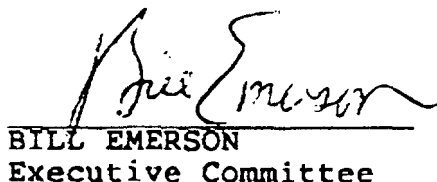
Sincerely,

  
JILL LONG  
Chair

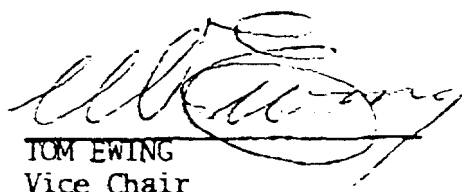
  
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Vice Chair

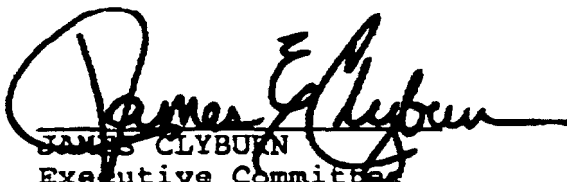
  
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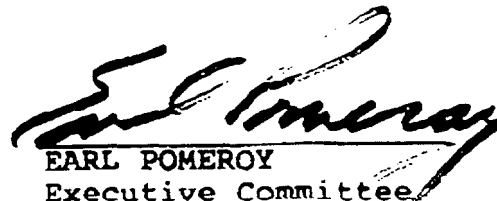
  
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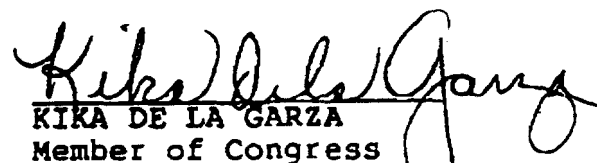
  
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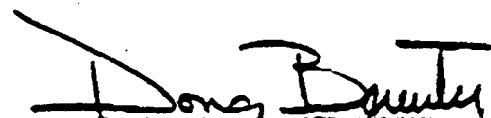
  
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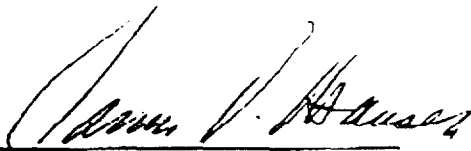
  
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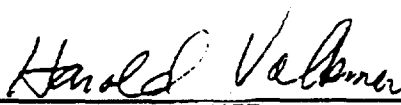
  
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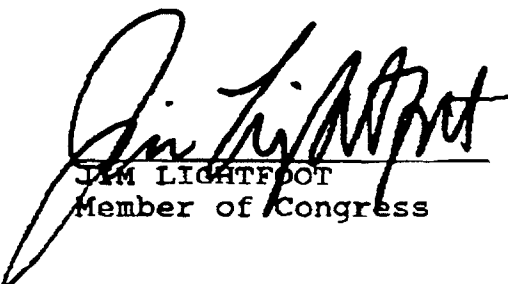
  
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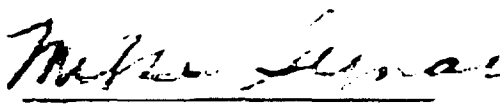
  
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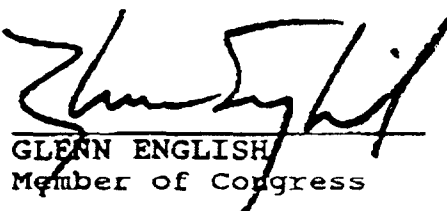
  
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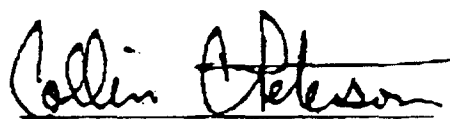
  
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Member of Congress

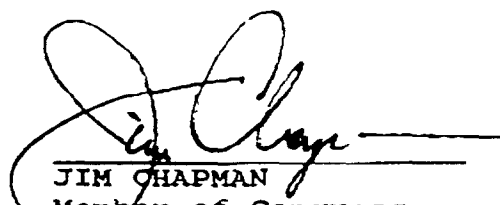
  
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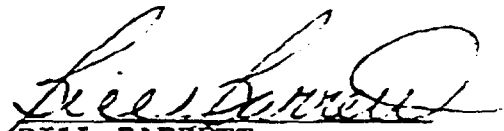
  
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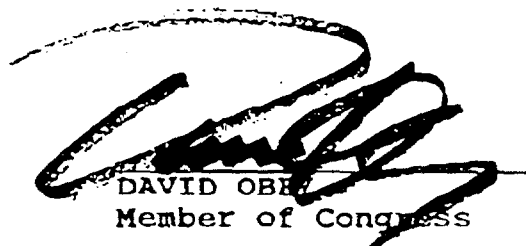
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FRANK MCCLOSKEY  
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DAVID OBERHELMAN  
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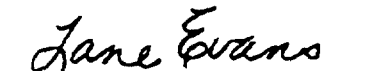


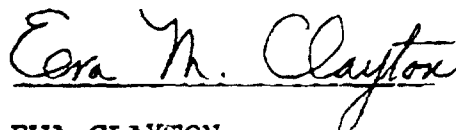
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